GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:7320
ANSWERED ON:13.05.2005
DUTY ENTITLEMENT PASSBOOK SCHEME
Kamat Shri Gurudas;Madhwaraj Smt. Manorama;Singh Shri Sugrib

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is considering a smooth transition from the Duty Entitlement Passbook (DEPB) Scheme to a duty drawback regime;

(b) whether the Government is implementing the recommendations of the Saumitra Chaudhury Committee to expand coverage of duty drawback in order to ensure compliance with the WTO regulations; and

(c) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a): No, Sir. In the Foreign Trade Policy, 2004-2009 (updated as on 31st March, 2005), it has been stated that the DEPB scheme will continue to be operative until it is replaced by a new scheme which will be drawn up in consultation with exporters. The matter is under examination by the Department of Commerce.

(b) & (c): The Central Government vide its order dated 9th March, 2005 had constituted a three-member Committee consisting of Shri Saumitra Chaudhuri (Member of Economic Advisory Council to Prime Minister) as Chairman, Shri S.B. Mohapatra, Secretary(Retired) and Shri T.R. Rustagi, Chief Commissioner of Customs & Central Excise (Retired) as Members. As per the terms of reference, the Committee was required to interact with the stakeholders and work out the modalities for calculation of All Industry Rates of Duty Drawback, 2005-06. In pursuance of this mandate, the Committee has had consultations with the various administrative Ministries, Export Promotion Councils, trade bodies and individual exporters. The Committee, after examination of the requests made by stakeholders, submitted its report on 20.4.2005. On the basis of recommendations of the Committee, appropriate duty drawback rates for various export products have been notified on 2nd May, 2005. The revised rates came into force with effect from 5th May, 2005.